



# **PLANNING COMMISSION AGENDA REPORT**

MEETING DATE: JUNE 26, 2006

*174-6.*  
ITEM NUMBER:

SUBJECT: PLANNING APPLICATION PA-06-21  
134 EAST WILSON STREET, UNITS A AND B

DATE: JUNE 15, 2006

FOR FURTHER INFORMATION CONTACT: WENDY SHIH, ASSOCIATE PLANNER (714)754.5136

---

## **DESCRIPTION**

The applicant proposes to convert two existing apartment units into condominiums.

## **APPLICANT**

Ali Sedghi is the property owner and applicant for this project.

## **RECOMMENDATION**

Approve by adoption of Planning Commission resolution, subject to conditions.

  
WENDY SHIH  
Associate Planner

  
R. MICHAEL ROBINSON, AICP  
Asst. Development Services Director

## PLANNING APPLICATION SUMMARY

Location: 134 East Wilson Street, Units A & B Application: PA-06-21

Request: Conversion of two existing apartment units into condominiums.

### SUBJECT PROPERTY:

### SURROUNDING PROPERTY:

Zone: <u>R2-MD</u>	North: <u>All surrounding properties</u>
General Plan: <u>Medium Density Residential</u>	South: <u>are residentially zoned</u>
Lot Dimensions: <u>50 ft. x 132 ft.</u>	East: <u>and developed with</u>
Lot Area: <u>6,600 sq. ft.</u>	West: <u>zoning designation of R2-MD</u>
Existing Development: <u>Two, two-bedroom apartment units.</u>	

### DEVELOPMENT STANDARD COMPARISON

<u>Development Standard</u>	<u>Required/Allowed</u>	<u>Proposed/Provided</u>
<b>Lot Size:</b>		
Lot Width	100 ft.	50 ft.*
Lot Area	12,000 sq. ft.	6,600 sq. ft.*
<b>Density:</b>		
Zone/General Plan	1 du/3,000 sq. ft. (existing lot between 6,000 sq.ft. and 7,260 sq.ft. as of March 16, 1992)	1 du/3,300 sq.ft.
<b>Building Coverage:</b>		
Buildings	N/A	33% (2,155 sq. ft.)
Paving	N/A	27% (1,790 sq. ft.)
Open Space	40% (2,640 sq. ft.)	40% (2,655 sq. ft.)
TOTAL	100% (6,600 sq.ft.)	100% (6,600 sq. ft.)
Private Open Space:	10 ft. x 10 ft. min.	14 ft. min.
Rear Yard Coverage:	25 % (250 sq.ft.)	17% (170 sq.ft.)
Building Height (rear unit):	2 stories/27 ft.	2 stories/ 21 ft.
<b>Setbacks:</b>		
Front	20 ft.	27.5 ft.
Side (left/right)	5 ft./5 ft.	5 ft./10 ft.
Rear (1 <sup>st</sup> floor/2 <sup>nd</sup> floor rear unit)	10 ft./20 ft.	12.5 ft./20 ft.
<b>Parking:</b>		
Covered	2	3
Open	3	2
Guest	1	1
TOTAL	6 Spaces	6 Spaces
Driveway Width:	16 ft.	10 ft.**
Parkway Landscaping:	10 ft. wide/ 3 ft. min. dimension	0 ft.***
CEQA Status	<u>Exempt, Class 3</u>	
Final Action	<u>Planning Commission</u>	

- \* Existing nonconforming.  
 \*\* Minor Modification approved under PA-04-28.  
 \*\*\* Variance approved under PA-04-28.

## **BACKGROUND**

On September 13, 2004, Planning Commission approved Planning Application PA-04-28 for a variance from driveway landscaping requirement with a minor design review to construct a new, two-story residence (unit B) behind an existing one-story residence (unit A), and a minor modification from driveway width requirements. Construction of the duplex was completed in January 2006 and both units are currently occupied. The property owner proposes to convert the units into condominiums. The Code was recently revised to allow two units to be constructed as, or converted to, common interest units.

Pursuant to Code Section 13-42(g), Planning Commission review is required when occupied apartments are proposed to be converted to a common interest development. The review is required to confirm compliance with applicable development standards and to consider potential impacts on the rental housing supply and displacement of tenants if the City's vacancy rate is below 3%.

A parcel map will be required to be processed and recorded before the units can be sold independent of one another. The applicant is aware of this requirement but did not want to incur the cost of having the map prepared until Planning Commission acted on the conversion.

## **ANALYSIS**

Common interest projects must comply with additional development standards above those applicable to apartments. These additional development standards include provision of a minimum 10-foot by 10-foot private open space for each unit and provision of on-site lighting. The project already complies with the common interest development requirements. The project is also in compliance with all applicable residential development standards and design guidelines, or has received a variance and/or minor modification to deviate from Code.

There is concern that conversions may potentially diminish the supply of rental housing and displace long-term residents unreasonably, particularly senior citizens, low- and moderate-income families, and families with school-age children. Consequently, City Council established a "critical vacancy rate" of 3% as the threshold for discouraging conversion of apartments to common interest developments. When the citywide rental vacancy rate is 3% or less, Planning Commission may deny any requested conversions. The 2000 census data indicates the City's rental vacancy rate is 2.8%.

The front unit is owner-occupied and the tenant in the rear unit is currently paying \$2,250 a month in rent for the 2-bedroom unit. The current affordable rental rates for 2-bedroom units are \$881 for very-low income and \$1,392 for moderate-income persons as established by United States Department of Housing and Urban Development (HUD). Based on this information, the monthly rents for the existing unit exceeds the affordable rental rates for very-low, low, and moderate-income households. Therefore, the conversion of the units would not result in a loss of affordable rental units. Since

the existing tenant has not occupied the unit for more than 6 months and there are no senior citizens or school age children residing on the property, conversion of the units would not displace residents unreasonably. However, staff is recommending a condition requiring the owner offer right of first refusal to the existing tenant, with terms more favorable than those offered to the general public. If the tenant confirms that she is not interested in purchasing a unit, the property owner will be required to pay the registration fee for an apartment referral service. It is staff's opinion that conversion of the units into condominiums will not substantially diminish the supply of rental housing and displace residents unreasonably since 60% of the City's housing units are renter occupied (40% is generally the norm) and General Plan Goal LU-1A.4 seeks to "improve the balance between rental and ownership housing opportunities".

As required by Code, a property inspection report as well as a termite report was submitted, and a City property inspection report was prepared. Since the front unit was remodeled and the rear unit constructed approximately 6 months ago, it complies with all current code requirements and there is no evidence of termite infestation.

### **GENERAL PLAN CONFORMITY**

Approval of the conversion will satisfy General Plan Goal LU-1A.4 that encourages additional home ownership opportunities in the City. The proposed conversion meets the General Plan's Land Use and Housing Element goals and objectives for additional ownership housing and will improve the balance between rental and ownership housing opportunities within the City. The units, whether utilized as apartments or condominiums, are consistent with the current Medium Density General Plan land use designation.

### **ALTERNATIVES**

The units could continue to be rented if the applicant's request is denied.

### **ENVIRONMENTAL DETERMINATION**

The project is exempt from the provisions of the California Environmental Quality Act under Section 15301 for Existing Facilities.

### **CONCLUSION**

All on-site development was approved under Planning Application PA-04-28. The project is in compliance with all common interest development requirements. Conversion of the apartments will result in additional home ownership opportunities and balancing the ratio of rental to ownership housing within the City. Additionally, the current tenant will be offered right of first refusal to purchase or the property owner will pay registration fees for an apartment search service to help her find a new apartment if she decides not to purchase.

Attachments:      Draft Planning Commission Resolution  
                         Exhibit "A" - Draft Findings  
                         Exhibit "B" - Draft Conditions of Approval  
                         Applicant's Project Description and Justification  
                         Inspection Reports  
                         Tenant Notification Letter  
                         Location Map  
                         Plans

cc:      Deputy City Manager - Dev. Svs. Director  
            Deputy City Attorney  
            City Engineer  
            Fire Protection Analyst  
            Staff (4)  
            File (2)

Ali Sedghi  
134 E. Wilson St., Unit A  
Costa Mesa, CA 92627

Occupant  
134 E. Wilson St., Unit B  
Costa Mesa, CA 92627

062606PA0621	Date: 061306	Time: 3:15 p.m.
--------------	--------------	-----------------

**RESOLUTION NO. PC-06-**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE  
CITY OF COSTA MESA APPROVING PLANNING  
APPLICATION PA-06-21**

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY  
RESOLVES AS FOLLOWS:

WHEREAS, an application was filed by Ali Sedghi, property owner with respect to the real property located at 134 East Wilson Street, Units A and B, requesting approval of the conversion of the apartments to a common interest development (condominiums), in the R2-MD zone; and

WHEREAS, a duly noticed public hearing was held by the Planning Commission on June 26, 2006.

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit "A", and subject to the conditions contained in Exhibit "B", the Planning Commission hereby **APPROVES** Planning Application PA-06-21 with respect to the property described above.

BE IT FURTHER RESOLVED that the Costa Mesa Planning Commission does hereby find and determine that adoption of this Resolution is expressly predicated upon the activity as described in the Staff Report for Planning Application PA-06-21 and upon applicant's compliance with each and all of the conditions contained in Exhibit "B". Any approval granted by this resolution shall be subject to review, modification or revocation if there is a material change that occurs in the operation, or if the applicant fails to comply with any of the conditions of approval.

**PASSED AND ADOPTED this 26<sup>th</sup> day of June, 2006.**

---

Bill Perkins, Chair  
Costa Mesa Planning Commission

STATE OF CALIFORNIA   )  
  )ss  
COUNTY OF ORANGE    )

I, R. Michael Robinson, secretary to the Planning Commission of the City of Costa Mesa, do hereby certify that the foregoing Resolution was passed and adopted at a meeting of the City of Costa Mesa Planning Commission held on June 26, 2006, by the following votes:

AYES:       COMMISSIONERS

NOES:       COMMISSIONERS

ABSENT:     COMMISSIONERS

ABSTAIN:    COMMISSIONERS

---

Secretary, Costa Mesa  
Planning Commission

## **EXHIBIT "A"**

### **FINDINGS**

- A. The information presented substantially complies with Costa Mesa Municipal Code Section 13-29(e) in that:
  - a. The project is compatible and harmonious with existing development and uses in the general neighborhood.
  - b. Safety and compatibility of the design of buildings, parking areas, landscaping, luminaries and other site features, which includes functional aspect of the site development such as automobile and pedestrian circulation, have been considered.
  - c. The project is consistent with the General Plan in that the conversion will satisfy General Plan goals that encourage additional home ownership opportunities and to improve the balance between rental and ownership housing opportunities within the City.
  - d. The planning application is for a project-specific case and is not to be construed to be setting a precedent for future development.
- B. The information presented substantially complies with Costa Mesa Municipal Code Section 13-29(10) in that, although the critical vacancy rate is less than the rate established in Section 13-42(c) (Residential Common Interest Development Conversions), the condominium conversion will not result in the displacement of long-term residents, senior citizens, or school age children because there are no senior citizens or school age children residing in the apartments and the current tenants have not occupied the units for more than 6 months. Conversion of the apartments will provide additional home ownership opportunities and improve the ratio of rental to ownership housing within the City. To ensure that existing tenant is not displaced unreasonably, a condition is included to require that current tenant be offered right of first refusal to purchase a unit, or the property owner pay registration fees for an apartment search service to help her find a new apartment if she decide not to purchase.
- C. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures, and has been found to be exempt from CEQA under Section 15301 for Existing Facilities.
- D. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.



## **EXHIBIT "B"**

### **CONDITIONS OF APPROVAL**

- Plng. 1. Applicant shall contact the Building Safety Division, prior to recordation of the parcel map, to provide proof that the Uniform Building Code requirements for condominiums have been satisfied, to obtain a change of occupancy permit, and to complete any additional requirements created through this conversion.
2. The applicant shall offer the existing tenant right of first refusal to purchase a unit with terms more favorable than those offered to the general public. If the existing tenant confirms in writing that she is not interested in purchasing a unit, the property owner will pay the registration fee for an apartment referral service. The property owner shall provide the Planning Division staff a copy of the written offer and the tenant's written response prior to recordation of the parcel map. The applicant shall also provide evidence of the payment of the registration fee for an apartment referral service for tenants not accepting the purchase offer.
3. The CC&R's shall require that garage spaces be used for parking only. Any changes made to this provision require prior review and approval by the City of Costa Mesa.
4. The applicant shall show proof of compliance with all applicable conditions of approval and code requirements prior to recordation of the final map. This condition shall be completed under the direction of the Planning Staff.
5. The CC&Rs shall include a provision mandating binding arbitration in the event of any dispute between the two property owners relating to the homeowner's association.

PLANNING DIVISION - CITY OF COSTA MESA  
DESCRIPTION/JUSTIFICATION

Application #: **PA-06-21**

Environmental Determination: *Exempt, Class 3*

Address:

134 E. Wilson St.

1. Fully describe your request:

*We request planning department approval to convert Existing  
2 detached HOMES into a Residential Common interest  
Development.*

2. Justification

- A. For a Conditional Use Permit or Minor Conditional Use Permit: Describe how the proposed use is substantially compatible with uses permitted in the same general area and how the proposed use would not be materially detrimental to other properties in the same area.

*N/A*

- B. For a Variance or Administrative Adjustment: Describe the property's special circumstances, including size, shape, topography, location or surroundings that deprive the property of privileges enjoyed by other properties in the vicinity under the identical zoning classification due to strict application of the Zoning Code.

*N/A*

3. This project is: (check where appropriate)

☐ In a flood zone.

☐ Subject to future street widening.

☐ In the Redevelopment Area.

☐ In a Specific Plan Area.

4. I have reviewed the HAZARDOUS WASTE AND SUBSTANCES SITES LIST published by the office of Planning and Research and reproduced on the rear of this page and have determined that the project:

☒ Is not included in the publication indicated above.

☐ Is included in the publication indicated above.

*Alv. Sedg. L.*  
Signature

*4/10/06*  
Date

**CITY OF COSTA MESA  
DEVELOPMENT SERVICES  
BUILDING SAFETY DIVISION  
77 FAIR DRIVE, P.O. BOX 1200  
COSTA MESA, CALIFORNIA 92628-1200  
714-754-5629**

**DATE: 04-26-06**

**PROJECT: Residential Common Interest Development Conversion PA-06-21  
ADDRESS: 134 E Wilson  
CITY: COSTA MESA**

A property review inspection was conducted. The following items were noted. There are 2 units, comments generally apply to each unit.

No violations or hazards to report. The rear unit is a new 2-story house that has been recently constructed and inspected.

The front unit has an addition and remodel that was also recently constructed and inspected.

Ali Sedghi  
134-A East Wilson Street  
Costa Mesa, CA 92627

May 11, 2006

Property Observation Report: General Building Location,  
Type and Materials

RECEIVED  
CITY OF COSTA MESA

Property:	134-A and 134-B East Wilson Street Costa Mesa, CA 92627	MAY 15 2006
Owner:	Ali Sedghi 134-A East Wilson Street Costa Mesa, CA 92627	
Location:	The property is located one lot directly West of the Northwest corner of East Wilson Street and Elden Avenue. Legal Description is: Parcel # 439-272-11, Tract 300, Lot #30.	
Configuration:	The property consists of two individual structures, Unit A total square footage, including garage, is 1,229. Unit B total square footage, including garage, is 1,515. Unit A consists of two (2) bedrooms, two (2) full baths and has an attached one (1) car garage. Unit B consists of two (2) bedrooms, two and a half (2-1/2) baths and has an attached two (2) car garage. Property is surrounded by wood fencing.	
Access:	Both units share a new concrete common driveway. Each unit also has its own secondary entry to their respective back yards. The garages and driveway parking spaces are serviced by East Wilson Street. There is additional street parking directly in front of Unit A.	
Roof:	Self-sealing asphalt shingles over two (2) layers of 15# felt applied in shingle fashion. The roof on Unit B is new.	
Foundation:	The foundations are concrete slab on grade with concrete footings.	
Mechanical:	Each unit has its own water heater and heating system. Existing kitchens are equipped with stoves, refrigerators and ovens. Washers and dryers are also hooked up.	
Electrical:	Each unit has a separately metered electrical panel. There is no common area electrical system. Both units are served with a 200 amp dual meter main located on the left side of Unit A's garage.	

Property Observation Report: General Building Location,  
Type and Materials (con't.)

Plumbing:	There are currently two (2) water heaters and one (1) water meter. One services Unit A (which is tankless) and one services Unit B. There is common water service.
Construction:	Unit A was originally built in 1952. Underwent room addition and complete interior and exterior remodel in 2005. Unit B was newly constructed in 2005. Both units are type V-N, wood framing. Unit A has stucco and wood trim with bay window exterior. Unit B has stucco wrapped finish. Both units have dual pane windows.
Landscape:	Unit A has a medium front yard lawn with small plants and a private side yard accessible from a interior patio door. Unit B has a medium rear yard consisting of half hardscape and half lawn and a private side yard. There is a open common area between the homes landscape with palm trees. Both units have independent sprinkler systems.
Disclaimer:	This document has been prepared to observe in general, the building location, building type and materials. This document does not report any conditions regarding lifespan or damage to existing building materials. Any specific investigations or reports (Termite, Thermal Moisture Protection, etc.) shall be performed as required and by the Owner's consultants and not by the Architect. The Architect does not warrant or approve, in any way, the accuracy of this information and shall not be responsible for any discrepancy between this document and the existing conditions.
Prepared by:	Alfredo Neyra, A.I.A. Architect CA 29231



13



# **CITY OF COSTA MESA**

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628-1200

---

DEVELOPMENT SERVICES DEPARTMENT

**FOR ATTACHMENTS NOT INCLUDED IN THIS REPORT,  
PLEASE CONTACT THE PLANNING DIV. AT (714)754-5245.**